



Iceland's Recovery - Lessons and Challenges

Conference Announcement

Location: Reykjavík, Iceland
Harpa Conference Center
Date: Thursday, October 27, 2011

Background

Iceland was the first advanced economy to experience the full force of the global financial crisis, and the first to subsequently seek financial support from the IMF. With the country now emerging from one of the most severe financial crises in modern history, the policies implemented are being examined with interest by policymakers, academics and journalists. One focus has been on the considerations that shaped Iceland's policy responses, including the use of capital controls and the handling of the banking sector. Other areas of interest include the preservation of the welfare state while undertaking a strong fiscal adjustment.

The conference

The day-long conference will aim to draw lessons from Iceland's experience and highlight its remaining challenges.

It will bring together Icelandic and international experts to review the policies implemented in the wake of the crisis, their effects on the economy and the country, the role of the recently concluded IMF-supported program, and the challenges still outstanding. Key questions will be: What worked and what didn't? What could have been done differently? Also, importantly, what next? What remains to be done to secure the recovery?

Speakers and format

The Prime Minister of Iceland will open the conference; the Minister of Economic Affairs and the Minister of Finance will also offer remarks.

Speakers will include international and Icelandic academics, Icelandic policy makers and IMF staff involved in designing or implementing the program, as well as representatives of civil society.

The day will be divided into three thematic sessions and a concluding panel discussion:

- Session I: Crisis Management*
- Session II: The Road to Recovery*
- Session III: Challenges Ahead*
- Session IV: Panel Discussion*

There will be four 15-minute presentations in each thematic session followed by questions and a wrap-up by the session chair. To focus the discussion, participants will be asked to consider two or three basic questions or policy dilemmas.

Participation and dissemination

Invitations have been issued to academics, civil society, parliamentarians and the press, as well as selected international institutions. The conference is also open to the general public on a first-come, first-served basis by preregistration via Internet (visit registration website at <http://www.yourhost.is/icelandsrecovery/registration>). More information on the conference is available at <http://www.imf.org/external/np/seminars/eng/2011/isl/index.htm>.

The conference will be videotaped and posted on the IMF website.



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Program

8.00 **Registration**

8.30 **Welcoming Remarks by Prime Minister Jóhanna Sigurðardóttir**

8.35 **Address by Minister of Economic Affairs Árni Páll Arnason**

9.00-10.30 **Session I: Crisis Management**

Examine decisions taken at the height of the crisis. Which policies were most successful? Topics to include capital controls, fiscal automatic stabilizers, and the handling of the banking system.

Session Chair: *Arnór Sighvatsson (Deputy Governor, Central Bank of Iceland)*

Participants: *Friðrik Már Baldursson (Reykjavík University), Willem Buiter (Citigroup), Vilhjálmur Egilsson (Confederation of Icelandic Employers), Poul Thomsen (IMF), and taped remarks by Joseph Stiglitz (Columbia University).*

10.50-12.20 **Session II: The Road to Recovery**

The session will assess the stabilization of the economy and the exchange rate, fiscal consolidation, household and corporate debt restructuring, the rehabilitation of the banking system. Also, the impact on social indicators and Iceland's social welfare system.

Session Chair: *Katrín Ólafsdóttir (University of Reykjavík)*

Participants: *Gylfi Arnbjörnsson (Confederation of Trades Unions), Jón Danielsson (London School of Economics), Paul Krugman (Princeton University), and Stefán Ólafsson (University of Iceland).*

12.30-14.00 **Lunch**

Keynote Speech by Minister of Finance Steingrímur Sigfússon

14.00-15.30 **Session III: Challenges Ahead**

What needs to be done to secure Iceland's full emergence from the crisis? For example, reducing unemployment, unwinding capital controls, securing access to financial markets. What further action is needed to address outstanding challenges.

Session Chair: *Þorvaldur Gylfason (University of Iceland)*

Participants: *Gylfi Magnússon (University of Iceland), Simon Johnson (MIT), Julie Kozack (IMF), and Finnur Oddsson (Chamber of Commerce)*

15.45-17.15 **Panel discussion**

Moderator: *Martin Wolf (Financial Times)*

Participants: *Már Guðmundsson (Governor, Central Bank of Iceland), Simon Johnson (MIT), Paul Krugman (Princeton University), Nemat Shafik (IMF Deputy Managing Director), and Gylfi Zoëga (University of Iceland).*